CLEVELAND PUBLIC LIBRARY
BUSINESS INFORMATION BUREAU
CORPORATION FILE

CONDENSED BALANCE SHEET

and

PROFIT and LOSS-SURPLUS

WEINBERGER DRUG STORES, INC.

AND SUBSIDIARY

CLEVELAND

FOR THE SIX MONTHS PERIOD
ENDED JUNE THIRTIETH
NINETEEN HUNDRED
THIRTY-FIVE

MRB
CORP. FILE

CERTIFICATE OF AUDITORS

August 23, 1935.

Weinberger Drug Stores, Inc.,
Cleveland.

We have made an examination of the consolidated balance sheet of WEINBERGER DRUG STORES, INC., and SUBSIDIARY, SUPERIOR LABORATORIES, INC., as at June 30, 1935. In connection therewith we examined or tested accounting records of the Companies and other supporting evidence and obtained information and explanations from officers and employees of the Companies, but we did not make an audit of the cash and other transactions for the six months' period ended at that date.

Merchandise inventories represent principally physical inventories taken and priced by employees of the Companies under direction of the management. Our tests as to pricing and computations indicated that the basis of valuation was cost or lower. We also tested inventory quantities at the warehouse, laboratory and four of the stores.

During the six months' period ended June 30, 1935, the Company sold 145 shares of its capital stock held in the treasury at the approximate cost thereof.

We reviewed data in support of additions to permanent assets during the period ended June 30, 1935. In May, 1935, the Company acquired the inventories and furniture and fixtures, etc., of cigar departments in eight of its stores which had previously been operated as leased departments.

In our opinion, based upon our examination, the accompanying balance sheet fairly presents the consolidated position of the Companies at June 30, 1935, and has been prepared in accordance with accepted accounting principles and on a basis consistent with the preceding year.

ERNST & ERNST,
Certified Public Accountants

TO THE SHAREHOLDERS:—

I present herewith a report for the first six months of 1935, based upon audit of our books by Messrs. Ernst & Ernst. Next year, and thereafter, reports will represent periods of twelve months ending June 30th.

In May, 1935, we acquired the inventories and furniture and fixtures, etc., of cigar departments in eight f our stores which had previously been operated as leased departments.

We have greatly added to our facilities in the Smokers' Department—cigars, cigarettes and smoking accessories of all sorts. In cigars, we cover a wide range of qualities and kinds from the high grades to medium and more moderate. You will profit by purchasing your smoking requirements at your Weinberger Store, "WHERE SPENDING IS SAVING."

A comparison of current assets and liabilities, as of December 31st, 1934, and June 30th, 1935, follows:

	Dec. 31, 1934	June 30, 1935
CURRENT ASSETS		
Cash	$ 79,028.42	$ 115,156.85
Scrip	2,996.00	6,142.00
Accounts Receivable	29,434.06	16,596.31
Ohio State Retail Sales Tax Stamps	----------	5,259.79
Inventory	722,111.85	781,171.61
Cash Surrender Value of Life Insurance	9,636.27	12,055.25
TOTAL CURRENT ASSETS	$843,206.60	$ 936,381.81
CURRENT LIABILITIES		
Note Payable to Bank	----------	$ 75,000.00
Accounts Payable	226,630.67	227,833.43
Accrued Taxes	27,304.27	37,947.93
Dividends Payable	17,907.50	18,827.50
TOTAL CURRENT LIABILITIES	$271,842.44	$ 359,608.86
NET CURRENT ASSETS	$571,364.16	$ 576,772.95

Again as in previous years, the progress made has been greatly influenced by the active assistance rendered by the Company's many friends and shareholders and the policies that have created this confidence will be vigorously maintained.

Very truly yours,
ADOLPH WEINBERGER,
President.

CONDENSED BALANCE SHEET
WEINBERGER DRUG STORES, INC., AND SUBSIDIARY, CLEVELAND
As of the close of business June 30, 1935

ASSETS			
CURRENT			
Cash on hand and on deposit		$115,156.85	
Scrip		6,142.00	
Customers' accounts receivable and creditors' debit balances	$ 17,910.22		
Less: Reserve	1,313.91	16,596.31	
Ohio State retail sales tax stamps		5,259.79	
Inventory (at estimated cost or lower as certified by management)		781,171.61	
Cash surrender value of life insurance		12,055.25	$ 936,381.81
OTHER ASSETS			
Treasury stock (323 shares at cost—indicated market value $4,522.00)		$ 2,909.01	
Notes receivable—secured by Company's capital stock:			
Officer	$ 5,000.00		
Employees	5,717.91	10,717.91	
Claims against closed banks	$ 27,700.49		
Less: Reserve	23,098.33	4,602.16	
Sundry deposits, personal and miscellaneous accounts receivable, etc.:			
Officers	$ 6,343.35		
Other	20,545.75	26,889.10	45,118.18
PERMANENT (at cost)			
Furniture and fixtures	$214,058.80		
Leasehold improvements	93,419.27	$307,478.07	
Less: Reserve for depreciation		113,109.94	194,368.13
PATENTS AND TRADE MARKS (nominal value)			1.00
DEFERRED			
Unexpired insurance premiums, deferred taxes, prepaid rent, etc.			25,637.57
			$1,201,506.69
LIABILITIES			
CURRENT			
Note payable to bank		$ 75,000.00	
Accounts payable for purchases, expenses, etc.		204,515.96	
Unpaid pay roll and bonuses		23,317.47	
Accrued taxes		37,947.93	
Dividend payable July 1, 1935		18,827.50	$ 359,608.86
NOMINAL			
Capital stock (without par value)			
Authorized 100,000 shares			
Outstanding 75,633 shares			
Stated capital		$546,000.00	
Capital surplus	$ 81,951.70		
Profit and Loss—Surplus	213,946.13	295,897.83	841,897.83
			$1,201,506.69

(NOTE) This balance sheet is subject to the comments submitted herewith.

PROFIT AND LOSS—SURPLUS
WEINBERGER DRUG STORES, INC., AND SUBSIDIARY, CLEVELAND
For the six months' period ended June 30, 1935

BALANCE—December 31, 1934			$ 193,978.16
ADDITION			
Summary of earnings for the six months ended June 30, 1935:			
Gross Profit	$544,002.34		
Less: Selling, general and administrative expense	476,575.62		
OPERATING PROFIT	$ 67,426.72		
Other deductions—net	1,640.00		
PROFIT BEFORE FEDERAL INCOME TAX	$ 65,786.72		
Provision for Federal Income Tax	8,200.00		
NET PROFIT		$ 57,586.72	
DEDUCTION			
Cash dividends declared:			
$ .25 a share paid April 2, 1935	$ 18,791.25		
.25 a share payable July 1, 1935	18,827.50	37,618.75	
NET ADDITION			19,967.97
BALANCE JUNE 30,1935—AS SHOWN BY BALANCE SHEET			$ 213,946.13

(NOTE) Depreciation provision for six months ended June 30, 1935, in the amount of $16,243.19, is included in the above expenses.